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Public Works

July 3, 1974

Mr. Robert Harper Senior Facilities Engineer Fairchild Semiconductor 369 Whisman Road Mountain View, California 94042

Dear Mr. Harper:

In our telephone conversation of June 28, 1974, you requested information concerning future water and sever charges. This letter is to bring you up to date on this subject.

On June 25, 1974, the Public Utilities Commission of San Francisco authorized a 17.4 percent rate increase for Hetch-Hetchy water to become effective September 1, 1974. Since Fairchild is supplied with Hetch-Hetchy water you should expect a rate increase within a few months.

We are currently studying the impact of this increase on Mountain View's water rates but it is too early to state what percentage increase will be required. I do not think, however, that our rate increase will be greater than San Francisco's.

We are also studying the sewer rates and expect an increase before the end of the year. This increase will be due to rising costs for sewage treatment and for Hountain View's share of construction costs of the South Bay Discharger's Authority effluent disposal pipeline and related treatment plant improvements. This increase is expected to be substantial.

In about three years, when sewage construction is nearing completion, sewer charges to industry will be increased to pay for the non-municipal share of the federal grant for

CITY OF MOUNTAIN VIEW.

Mr. Robert Harper Fairchild Semiconductor

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this work. The rate for electronics plants is expected to be doubled at that time.

As I stated in our phone conversation, the above information is very preliminary but it may be of use to you in planning. I will keep you informed as our rate studies progress.

Very truly yours,

NORMAN H. LOUGEE Mater Division Engineer

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